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Submission to the Senate Inquiry into Animal welfare standards in Australia's live export market

We are distressed by the recent exposure of slaughter practices in Indonesia and we broadly support the Government's response as far as it goes. But in our view the response is insufficient.

In our view the current standards are inadequate to ensure the relevant common-sense animal welfare standard, that the animal not suffer needlessly before slaughter. In particular there is no requirement for stunning.

We suggest:

- Legislation be introduced to require the Minister approve a standard addressing animal welfare standards for the export industry. The legislation should require the following minimum requirements for any standard:
 - The standard should include the requirement that animals are stunned before slaughter.
 - The standard for the industry should include the requirement that animals not suffer needlessly.
 - The standard should include a requirement that exporters take reasonable steps to ensure that exported animals are treated in accordance to with the standard.
- Civil penalties should apply to any exporter not following the standard.

Further, to the extent possible within the existing statutory framework, these changes should be effected immediately by altering regulations.

Current arrangements leave the industry largely self regulated, with the Meat and Livestock Association (MLA) at the focus, enshrined by regulation.

Based on the last annual report, the MLA has \$83 million cash and equivalents on balance sheet, and \$64 million of equity. The organization is well funded through compulsory levies – its funding depends on what amounts to an industry specific tax.

The MLA's "Code of Business Ethics and Conduct" states:

MLA is committed to earning and maintaining the support of the communities which provide our license to operate, including Peak Councils, Government and the community at large.

The community support to which the MLA refers is contingent on the MLA making reasonable attempts to ensure decent animal welfare standards in the live export trade. The MLA has long been aware of the concerns which led to this review. According to its own standards the MLA is a failure.

The MLA board was paid over \$900,000 in direct compensation in the last fiscal year, and the total senior executive remuneration was over \$2.8m. So nearly \$4 million dollars was paid to manage a self-evident failure in a quango.

The reason the recent exposure of indecent slaughter practices has cost the Live Export Industry so much is because the industry has systematically ignored animal welfare issues for decades. There are hard economic realities but it is a myth that these are independent from animal welfare issues. And a hard economic reality is that the MLA has quite a lot of money – on account of compulsory levies. Current MLA cash is clearly more than adequate to fund the construction of adequate slaughter facilities in all abattoirs which receive Australian cattle.

The appropriate response of the Government is:

- The Minister should request the resignation of the MLA board and senior executives, and appoint an administrator to oversee the liquidation of the MLA and distribute the surplus funds to members.
- If the board refuses, the Minister should halt the MLA's access to compulsory levies and Government grants.
- A temporary body should be set up to oversee the meat trade and collect statutory levies.
- The terms of reference of this review should be widened to include the creation of an alternative statutory framework which places animal welfare at the centre.

Our reading of the current legislation is that all these measures can be effected by altering regulations, and so it is open for the review to address the terms of reference by recommending this government response.

Animal welfare is not a subsidiary issue – living animals are the foundation of the meat industry. Animals are brought into life for the purpose of slaughter. This entails a responsibility. We must ensure that this slaughter is not unnecessarily cruel. Wanton cruelty degrades the meat industry, the farming community and ultimately us all.

Animal welfare must be a pillar of any industry regulation.

We suggest that a successor regulatory arrangement should have at least two bodies:

- An industry body to represent the interests of the industry and exporters. This body should perform the existing duties of the MLA, but have meat industry animal welfare both domestically and through the export chain as an additional key responsibility.
- An audit body. This body should be independent of the industry body, required to perform regular animal welfare audits of the industry, including the export chain.

Regulation should require:

- The independent audit body would be required to perform regular independent audits and publish public annual audit reports. In particular any report should be made publicly available rather than just provided to the Australian Government as suggested in point “e” of the terms of reference.
- The audit body should be funded directly by part of the current compulsory levy.
- Any compulsory levy should only be provided to the industry body contingent on successful animal welfare audits.
- Bonuses for senior management and board of the industry body should be contingent on successful animal welfare audits.

A last point – we find it telling that, even after all this the MLA chooses to conclude its press release addressing this very review with the words:

Our remit extends far beyond our work in the livestock export industry. We conduct a wealth of strategic research and development to benefit the industry, high-impact marketing campaigns at home and abroad, initiatives to improve market access, and work to build community trust in red meat production.

Nowhere does this concluding remark mention animal welfare itself.